GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2372
ANSWERED ON:14.12.2015
Policy for Coffee Growers
Muddahanumegowda Shri S.P.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) whether the Coffee Board has come out with a new policy proposing incentives for coffee growers if they sell their produce through auction platforms such as Indian Coffee Trade Association (ICTA);
b) if so, the details thereof;
c) whether any subsidy is also likely to be provided for export through Self-Help Groups or farmer producer organizations and if so, the details thereof; and
d) whether subsidy is also proposed for small roaster and curing units to boost domestic production of coffee and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) to (c): As part of the Integrated Coffee Development Project under the XII Plan, a new component of 'Market Development' has been included to provide incentives to small and tiny growers to form collectives/ Self Help Groups (SHGs)/ Cooperatives and encourage them to take up marketing of coffee produced through a community based approach.
As per the scheme, coffee marketing can be taken up by the collectives/ SHGs/ cooperatives of small growers through a recognised public auction platform like Indian Coffee Trade Association (ICTA) or the recognized commodity exchanges where physical delivery of coffee takes place. Such collectives/SHGs can also undertake exports and earn incentives. The support for coffee marketing is available @ Rs.4/kg of clean coffee, marketed by small growers' collectives / SHGs / Cooperatives in traditional coffee growing states. For SHGs / collectives of tribal growers or any Government nodal agency like ITDA (Integrated Tribal Development Agency) / GCC (Girijan Cooperative Corporation) in non-traditional areas, support is available @ Rs.10/kg of clean coffee.
(d) : Under the XII Plan scheme for the coffee sector, support for value addition is extended for activities involving improvement of technologies in roasting, grinding and packaging units. The small roasting units with a capacity of less than 25kg capacity are eligible for subsidy support of 35% of the machinery cost with a ceiling of Rs. 50 lakhs. Small commercial gourmet roasting units with less than 10 kg capacity are eligible for subsidy support of 35% of the cost of the machinery with a maximum ceiling of Rs.10 lakhs per unit. 25% subsidy for upgradation of curing units with a ceiling of Rs. 50 lakhs per unit is available to the curing works holding valid license issued by Coffee Board.
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